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SENDER V. CHECK CLASSIFICATION TOP AND BOT			
UNCLASSIFIED			
CENTRAL INTELLIGENCE AGENCY OFFICIAL ROUTING SLIP			
TO	NAME AND ADDRESS	DATE	INITIALS
1	[REDACTED]	16 OCT 1967	SB
2	D/L	10/16/67	8
3	D/L	16 OCT 1967	SB
4	Chief, Plans Staff		
5			
6			
ACTION		DIRECT REPLY	PREPARE REPLY
APPROVAL		DISPATCH	RECOMMENDATION
COMMENT		FILE	RETURN
CONCURRENCE		INFORMATION	SIGNATURE
Remarks:			
Would appreciate an audience after you have looked at the attached draft. To 4 Send D/L notice on page [REDACTED] VR			
FOLD HERE TO RETURN TO SENDER			
FROM: NAME, ADDRESS AND PHONE NO.			DATE
[REDACTED]			
UNCLASSIFIED		CONFIDENTIAL	SECRET

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REDRAFT

██████████:alb

10 Oct 67

Jack:
DD/S
Rev. cc.
of this letter
H.S. and I do to see
Mr. Eastman as the next
step in the strategy
are agreed upon with
DD/S
G. C.

MEMORANDUM FOR: Director of Logistics

SUBJECT : Middle River Depot Proposal

REFERENCE : Letter dtd 28 Sept 67 to C/RECD fr GSA

1. The General Services Administration (GSA) has proposed that the Agency transfer its warehousing facility from ██████████ Depot to Middle River, Maryland. GSA has based this proposal on the following reasons:

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a. This Agency's facility at ██████████, primarily supports overseas operations and, therefore, the Agency does not require a Metropolitan depot.

b. GSA can reduce their costs for transportation in this area by \$300,000 annually by using ██████████ Depot rather than Middle River.

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c. Use of the ██████████ Depot by GSA will "greatly enhance" GSA service of emergency demands of the executive agencies.

2. The GSA proposal is based on an erroneous understanding.

Rather than being primarily in support of overseas operations,

██████████ Depot provides twice the tonnage of materiel for Metropolitan use as it does for overseas. In addition, much of the overseas materiel

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SUBJECT: Middle River Depot Proposal

costs to continue Agency service to the Metropolitan area from Middle River more than off-sets the \$300,000 potential savings indicated by GSA. While it is true that consideration of the GSA facility at [REDACTED] should provide better service for executive agencies, this better service will be provided at the expense of support for Agency facilities and operations in the Metropolitan area.

3. An analysis of some of the major costs involved with this proposal indicates that an initial outlay of approximately \$1,802,000 and an increased annual expense of approximately \$369,000 will be incurred by this Agency. The charges result from increased transportation, personnel, telephone, and capital investment requirements incident to a transfer of the Agency warehouse facility to Middle River.

<u>Category</u>	<u>Initial</u>	<u>Annual</u>
Personnel		
PCS Transfers	\$ 100,000	\$ 20,000
Transportation	200,000	313,300
Telephone	2,000	36,600
Investment	<u>1,500,000</u>	<u>---</u>
	\$1,802,000	\$369,900

4. Detailed examinations of the various aspects of the proposal are contained at Attachments 1 through 4.

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- a. Transportation (Att 1)
- b. Personnel (Att 2)
- c. Metropolitan Service (Att 3)
- d. Investment (Att 4)

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Acting Chief, Planning Staff, OL

4 Atts